



Property Tax Newsletter

News and developments

A publication of the Property Tax Division

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Tax Commissioner

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2005 Legislation

The Property Tax Division is monitoring legislation pertaining to property taxation. A number of bills made it through Cross-over of the Legislature. As of March 3, 2005, the following bills are still awaiting action by the Legislature.

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Bill No. Subject Matter


HB 1175	Renaissance zones, increase notices, misc.
HB 1182	Use of levy for insurance reserve for workforce safety and insurance and claims
HB 1203	Business incentives, agreements and reports
HB 1209	Farm residence exemption: income limits
HB 1263	School fund for removal of mercury and other hazardous substances
HB 1333	Railroad assessment information: repeal confidentiality
HB 1344	Treatment of mineral interests under Unclaimed Property Act
HB 1354	Payment of veterans service officer in some counties by State
HB 1398	Levy for regional or county correction centers
HB 1399	Limits water resource board assessments
HB 1437	Warranties for dwellings and home improvements
HB 1449	Levy for promotion of historical works
HB 1517	Farm buildings: certain greenhouses qualify for exemption
HCR 3003	Study - severed mineral interests
SB 2065	County levy limit for employee health insurance
SB 2081	Refund of certain taxes
SB 2157	Homestead credit: eligibility, maximum benefit
SB 2180	Personal representative deeds recorded without county auditor's certificate
SB 2188	Capitalization rate for agricultural land assessments
SB 2212	Levy to provide school heating, ventilation and air conditioning systems
SB 2240	Farm residence exemption: claim, affidavit, authorization
SB 2242	Farm residence exemption not available for structure owned by corporation, LLC, LLP, or LP



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SB	2243	Audits of property tax assessments
SB	2246	Park model trailers
SB	2272	Agricultural property definition
SB	2275	Levy limit of merged health districts
SB	2332	Farm residence exemption; retired farmer status
SCR	4010	Study – alternatives to method of expressing tax levies in mills per dollar of taxable valuation
SCR	4011	Study – mobile home taxation


You may go online to obtain a copy of or check the status of any bill. Go to www.discovernd.com, click on 59th Legislative Assembly, Legislation: 2005, Bill Status Inquiry.

Following the completion of the 2005 Legislature, the Property Tax Division will provide assessment officials with a summary of property tax changes and effective dates of the legislation. 

Annual Assessor Seminar Requirements

Once township and class II city assessors become certified by the State Supervisor of Assessments, they must attend an annual assessor seminar conducted by a certified county director of tax equalization in order to maintain their certification.


By now, county directors of tax equalization have held the 2005 Assessor Seminar. They should complete and submit the annual report to the Property Tax Division of the Office of State Tax Commissioner as soon as possible.

Assessors who did not attend the seminar need to obtain individual instruction from a certified county director of tax equalization in order to maintain their certification. If they fail to do so before April 1, the 2005 assessments must be reviewed by either a certified county director of tax equalization or a class I city assessor. The cost for having someone review the assessments must be paid by the jurisdiction needing the review. Any assessor who does not meet the requirements for maintaining certification must take the statewide standard assessor test to become certified again. 

Review of Assessments – What is Involved

When real property assessments are completed by an assessment official who is not certified by the State Supervisor of Assessments, they must be reviewed and approved by a certified county director of tax equalization or class I city assessor prior to the local equalization meeting.

The individual completing the review should complete spot checks of various types of properties – single family, multi-family residences, retail commercial, office, warehouse or other industrial, and agricultural property. Make some physical inspections, examine sales information, and check assessments of the properties that sold and other similar properties to determine if assessments reflect current market value. Calculate township average values for the various townships and verify if the average agricultural value for the county is within the tolerance level allowed by the state. Complete some spot checks of applications for property tax exemption and homestead credit, and verify approval of exemptions and correct calculations of credit. Verify assessment totals and applications to support exemptions and credits allowed.

Upon completion of the review, the individual should prepare a statement including a brief summary of the work done to complete the review, the findings of the review, the signature of the reviewer, and date on which assessments are certified as approved. The statement should be submitted with the assessment list. 


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Publication of the Notice of Equalization Meetings

During March the county auditor of each county is required to publish in the official county newspaper for two successive weeks the meeting dates of the various boards of equalization [N.D.C.C. § 57-23-02]. The purpose of this notification is to inform the public of the equalization process and the meetings during which the various governing boards review the current assessments and consider appeals by property owners. Before March 1 of each year, township clerks and city auditors need to submit the meeting date of the various equalization boards to the county auditor.


Township boards of equalization must meet on the second Monday in April unless the assessor serves more than one assessment jurisdiction. In that case, the assessor and township clerk determine the meeting date in April for the township board of equalization and notify the county auditor prior to March 1. The township clerk of the township involved must publish notice of the meeting date and time in the official newspaper and post that information at the meeting place of the township board at least ten days prior to the meeting.

City boards of equalization must meet on the second Tuesday in April unless the assessor serves more than one assessment jurisdiction. If so, the assessor and city auditor determine the meeting date in April for the city board of equalization and notify the county auditor before March 1. The city auditor must publish a notice of the meeting date and time in the official newspaper and post that information at the usual meeting place of the governing board at least ten days before the meeting.

County boards of equalization are required to meet within the first ten days of June. The board members determine the exact date before March 1 so the county auditor has the information for the newspaper. 

Statement Submitted With Assessment List

After completion of the township board of equalization meeting, the township assessor returns the assessment list to the county auditor on or before the fourth Monday in April. The assessor includes a copy of all applications for property tax exemption and applications for property tax credit that affect the current assessment. The township assessor must verify the assessments by signing and submitting an affidavit with the assessment list. The format for the affidavit is set out in North Dakota Century Code (N.D.C.C.) § 57-09-06.

Within ten days after completion of the city board of equalization meeting, the city auditor delivers the assessment list to the county auditor together with a certificate stating that the assessments are correct as equalized by the city board of equalization. The format for the certification may be similar to what's provided in N.D.C.C. § 57-09-06. 

Property Used For Exempt Purpose Before Year's End

An organization specified in N.D.C.C. § 57-02-08(11) owns a building which is under construction for remodeling. As of the assessment date the building could not be used for holding meetings and ceremonies of the organization; consequently the property was assessed for 2005. The lodge expects to use the property for meetings and ceremonies before the end of the year. The Property Tax Division was asked if the 2005 assessment could be cancelled when the property is used for the exempt purpose before the end of the year.

The North Dakota Attorney General made a determination regarding a similar situation in which a church building was under construction on the assessment date but completed and used for religious services before the year end. The Attorney General stated as follows:


"Before March 1 of each year, township clerks and city auditors need to submit the meeting date of the various equalization boards of the county auditor."

"This opinion affects property that doesn't qualify for exemption on the assessment date because of construction or remodeling."

“... taxes levied on real estate that was assessed on April 1* because not then exempt are not collectible through tax sale and deed proceedings if an exempt nonprofit organization begins using it before the end of the year for an exempt purpose and, of course, also satisfies the ownership provisions of the exemption statute. When this occurs before the end of the year for which the property was assessed, the conditions for exemption are regarded as having been satisfied before the attachment of the lien for real estate taxes on the following January 1st and thereby makes that lien unenforceable by tax sale proceedings or otherwise . . . This situation is not one calling for the abatement of the tax. . . . It is merely a question of annotating the tax records, so that the particular item of tax may be shown to have been extinguished. . .”


* note: April 1 was the statutory assessment date at the time the Attorney Generals' opinion was issued.

This opinion affects property that doesn't qualify for exemption on the assessment date because of construction or remodeling. The opinion provides that the county auditor may annotate the tax list to show that the tax is cancelled if the property is then used for the exempt purposes. The change in use must happen before January 1 of the next year when the tax becomes a lien on the property.

Before annotating the tax list, the county auditor should have a signed statement from the property owner and the assessor that the property is used for the exempt purpose as specified in the application for property tax exemption for the year. A copy of the statement should be included with the tax list for the year. In the tax list at the entry of the amount of tax for that legal description, the county auditor makes a notation similar to the following: "Tax cancelled, date, copy of statement and application included with list." The county auditor should initial the notation. 

Supervised Home Study Manual Available on the Web

The January 2005 issue of the Supervised Home Study Manual is now available on the Tax Department web site. Go to www.taxdepartment.gov, Property, Publications. You may print a copy of the current manual from the web site or you may request a copy be mailed to you from the Tax Department.


The Property Tax Division still has a limited supply of the vinyl binders for the Supervised Home Study Manual. County directors of tax equalization are encouraged to collect the Manual from an out-going assessor so the binder can be used for the new assessor. 

Education Calendar

The following courses will be offered by the Office of State Tax Commissioner through November 2007.

Course 202	Agricultural Land Valuation	May 9-13, 2005
Course 303	Teaching Appraisal Techniques	Nov. 14-18, 2005
Course 102	Principles & Theory of Value	May 8-12, 2006
Course 201	Residential Property Appraisal	Nov. 13-17, 2006
Course 203-C	Introduction to the Income Approach	May 14-18, 2007
Course 101	Tax Administration	Nov. 12-16, 2007


This schedule is available on the Tax Department web site under Property Publications.

Course notification and registration information is sent to county directors of tax equalization, class I city assessors and other interested individuals six to eight weeks prior to a course offering. Anyone wanting to receive course notification should contact the Property Tax Division. 

Notification Requirements for Omitted Property

Whenever the county auditor discovers property that has escaped assessment and taxation, the county auditor is required by N.D.C.C. § 57-14-02 to notify the owner, person in possession of the property, or the person's agent, by mail, that the county auditor will add the property to the assessment list.

If the county auditor sends a notice to the owner at the address listed on the deed filed in the county recorder's office and the notice is returned indicating the forwarding time has expired, the county auditor should make a reasonable search for a valid address of the person qualified to receive the notice of omitted property assessment. This could be done by inquiring who has possession of the property or who may be an agent of the owner or occupant, such as an attorney. The county auditor could also verify whether a mortgage was filed in the county recorder's office and whether the property was used as collateral on the loan.


In summary, the county auditor should make a reasonable search for a valid address of the person required to receive a notice of omitted property assessment under N.D.C.C. ch. 57-14. 

Verification of Exemption Qualification

Whenever individuals apply for property tax exemptions, they are responsible for providing the necessary evidence as proof of qualification.

Many property tax exemptions require qualification based on property ownership and use of the property. For example, eligibility for exemption according to N.D.C.C. § 57-02-08(8) depends on ownership of the property by a qualifying nonprofit organization and use of the property for the charitable purposes of the organization. Evidence of ownership as a nonprofit organization includes a copy of the organization's Articles of Incorporation and a copy of the deed to the property. The purpose of the organization is stated in the articles of incorporation. Assessment officials need to make a physical inspection to determine whether the property is used for the purposes stated in the articles and whether that use matches the use intended in the statute.

Some exemptions limit the maximum amount of income for qualification. Applicants for the disabled veteran's exemption according to N.D.C.C. § 57-02-08(20)(b) and the farm residence exemption [N.D.C.C. § 57-02-08(15)(b)] must meet certain income requirements to qualify.

To avoid possible claims of discrimination, assessment officials should require the same information from all applicants. For example, instead of assessment officials asking for information only from individuals whose income is questionable, assessment officials should request the same information from all individuals claiming the farm residence exemption. It is much better to treat all applicants the same, rather than risk claims of discrimination. 

"Assessment officials need to make a physical inspection to determine whether the property is used for the purposes stated in the articles and whether that use matches the use intended in the statute."

Electronic Newsletter

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